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DE RUEHC #3842 0142013  
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TO RUEHML/AMEMBASSY MANILA 0000  
INFO RUETIAA/DIRNSA FT GEORGE G MEADE MD 0000  
RUEAIIA/CIA WASHINGTON DC 0000  
RHMCSSU/FBI WASHINGTON DC 0000  
RUEKJCS/SECDEF WASHINGTON DC  
RUCPDOC/USDOC WASHINGTON DC 0000

UNCLAS STATE 003842

SENSITIVE  
SIPDIS  
MANILA FOR GRAZYNA COFFIN

E.O. 12958: N/A  
TAGS: ETTC KOMC RP  
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK  
ON LICENSE 050140763

REF: 09 STATE 2825

¶11. (U) This is an Action Request. See paragraphs 2 - 4.

¶12. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a pre-license check on license 050140763 for the export of firearms to the Philippines. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

¶13. (SBU) Reason for Request: Recent events and reports from Post indicate that the Philippine National Police (PNP) suffers from significant corruption in the regulation and distribution of firearms (REFTEL A AND B). In addition, the supporting documentation issued by the PNP does not match documentation provided in previous cases. This request is to establish the bona fides of this transaction.

¶14. (SBU) Action Request: Post is requested to establish the bona fides of this transaction by making appropriate inquiries to authorities of the PNP. Post is also requested to establish the bona fides of foreign intermediate consignee Twin Pines, whose owner Servando Topacio is affiliated with many other business interests involved in USML (especially firearms) imports to the Philippines. The following points are included for guidance:

(TO THE PNP)

--Can you confirm the order of the firearms listed on this license application?

--Can you confirm that the firearms listed below are being purchased for testing and evaluation purposes? Please describe the tests and evaluations that will take place and explain their purpose.

--Can the PNP provide the purchase order and/or contract through which this transaction is taking place?

--For what will the firearms be used once the testing and evaluations are completed?

(TO TWIN PINES)

--Can you confirm that the firearms listed below are being purchased for testing and evaluation purposes? Please describe the tests and evaluations that will take place and explain their purpose.

--For what will the firearms be used once the testing and

evaluations are completed?

--With what other companies is Mr. Servando Topacio affiliated? In what capacities? What services and products are sold by these companies? Who are their regular customers and where do they reside? What are the annual sales for each of these businesses? Are you familiar with the regulations governing the import of U.S.-origin defense articles, including restrictions on re-transfer or re-export?

In its reply, Post may also comment on any other information pertinent to these transactions such as security of facilities, end-use, and concerns about the entities involved.

15. (U) Details of license applications:

DTC Case: 050140763

QUANTITY/COMMODITY:

3 Sig Sauer Model 556 Rifles. 5.56mm Caliber

5 Sig Sauer Model SSG3000 Rifles, .308 WIN Caliber

3 Sig Sauer Model 556 SWAT Automatic Rifles, 5.56mm Caliber

License Value: USD \$30,161

SELLER:

Sig Sauer  
18 Industrial Drive  
Exeter, NH 03833

FOREIGN INTERMEDIATE CONSIGNEE:

Twin Pines Incorporated  
Makati Cinema Square, FB 48, 1st Basement  
Makati, the Philippines  
(as provided on license)  
Tel: (632) 727-5252 / (632) 911-1331 / (632) 721-2351

AND

Twin Pines Incorporated  
#4 Liwayway Street  
San Juan, Metro Manila  
Philippines 1500  
(as provided on purchase order)

FOREIGN END-USER:

Philippines National Police  
Office of the Chief, PNP  
Camp Crame  
Quezon City, the Philippines

PURPOSE:

For exclusive use by the PNP for testing and evaluation purposes.

16. (U) Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

Pro Forma Invoice from Sig Sauer dated 07/09/2008 (NOTE: This invoice only lists 3 Sig Sauer SIG556 Rifles)

DSP-83 signed by Servando Topacio (Twin Pines) dated 10/02/2008, Florencio A. Caccam (PNP) dated 10/02/2008, and Melanie Fox (Sig Sauer) dated 11/20/2008

End-Use Statement issued by PNP dated 10/02/2008 signed by Servando Topacio and Florencio A. Caccam

Confirmation Letter from PNP dated 06/07/2008 signed by  
Florencio A. Caccam

Purchase Order Ref# SIG2008002tpi from Twin Pines signed by  
Servando Topacio dated 11/11/2008

¶7. (U) Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file in the Bunche Library's E-Book Collection on the DOS Intranet:  
[http://virtuallibrary.state.gov/  
BlueLanternGuidebook2006%2520 final .pdf](http://virtuallibrary.state.gov/BlueLanternGuidebook2006%2520 final .pdf)

¶8. (U) Department is grateful for Post's assistance in this matter.

RICE